

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

CBD INDUSTRIES, LLC,)
)
)
Plaintiff,) Civil Action No. _____
)
)
v.) JURY TRIAL DEMANDED
)
)
MAJIK MEDICINE, LLC,)
)
)
Defendant.) _____
)

EXHIBIT F



Louisiana Board of Pharmacy

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During their November 14, 2018 meeting, the Board approved the following guidance document for the benefit of its licensees, particularly those holding state controlled substance (CDS) licenses and federal registrations from the U.S. Drug Enforcement Administration (DEA).

Guidance Document re Cannabidiol (CBD) Oil

The Board continues to receive questions about cannabidiol (CBD) oil, derived from hemp or derived from marijuana. Act 261 of the 2015 Legislature, which established the state medical marijuana program, made no exception for possession or sale of CBD oil. Louisiana's controlled substance law includes CBD oil in the definition of marijuana.

All marijuana products shall comply with the rules adopted for the state medical marijuana program; they must have a known source as well as known quantities of active ingredients. Further, they may only be dispensed by marijuana pharmacies licensed by the Board of Pharmacy.

Since marijuana is listed in Schedule I of the state's list of controlled substances, no one, including board licensees, may possess or sell CBD oil. Violations of the Louisiana Revised Statutes or Louisiana Administrative Code can subject a person to criminal and/or administrative action.

Frequently Asked Questions re CBD Oil

1. Is CBD (cannabidiol) oil legal under Louisiana law?

No. The Louisiana Controlled Dangerous Substances Law defines marijuana as: "*all parts of plants of the genus Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the mature stalks of such plant, fiber produced from such stalks, oil, or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination, or cannabidiol when contained in a drug product approved by the United States Food and Drug Administration.*" CBD is a compound of marijuana and therefore is considered marijuana under Louisiana law. Marijuana is listed in Schedule I of the state controlled substance list. There is no lawful possession of a substance listed in Schedule I, except for the marijuana products authorized in the state medical marijuana program.

2. Is CBD oil legal under federal law?

No. CBD is considered marijuana under federal law. Section 21 U.S.C. 812 of the Controlled Substances Act [CSA] establishes marijuana as a Schedule I substance.

NOTICE: In compliance with Act 2018-655, the Board gives notice to its licensees and applicants of their opportunity to file a complaint about board actions or board procedures. You may submit such complaints to one or more of the following organizations: (1) Louisiana Board of Pharmacy; 3388 Brentwood Dr.; Baton Rouge, LA 70809; 225.925.6496; info@pharmacy.la.gov (2) Committee on House & Governmental Affairs; La. House of Representatives; PO Box 44486; Baton Rouge, LA 70804; 225.342.2403; h&ga@legis.la.gov (3) Committee on Senate & Governmental Affairs; La. Senate; PO Box 94183; Baton Rouge, LA 70804; 225.342.9845; s&g@legis.la.gov.

The federal Drug Enforcement Administration (DEA) cites scientific literature [J. Anal. Toxic., Vol. 24, 715-717 (2000)] in its guidance that cannabinoids such as CBD are *"found in the parts of the cannabis plant that fall within the CSA definition of marijuana."* Therefore, CBD oil is considered marijuana and a Schedule I substance under federal law.

3. Is CBD extracted from hemp legal under Louisiana law?

No. Louisiana law does not make a distinction between CBD extracted from hemp and CBD extracted from marijuana. CBD is a compound of marijuana and therefore is considered marijuana under Louisiana law.

4. Does the State of Louisiana have a hemp program?

At this time, the State of Louisiana does not have a hemp program.

5. Is CBD extracted from hemp legal under federal law? And how do I know if CBD/hemp oil has been extracted from an illegal part of the Cannabis plant?

The DEA cites scientific literature [J. Anal. Toxic., Vol. 24, 715-717 (2000)] in its guidance, which states in part:

"Cannabinoids are not found in the parts of the cannabis plant that are excluded from the CSA definition of marijuana, except for trace amounts (typically, only parts per million) that may be found where small quantities of resin adhere to the surface of seeds and mature stalk."

Thus, based on the scientific literature, it is not practical to produce extracts that contain more than trace amounts of cannabinoids using only the parts of the cannabis plant that are excluded from the CSA definition of marijuana, such as oil from the seeds. The industrial processes used to clean cannabis seeds and produce seed oil would likely further diminish any trace amounts of cannabinoids that end up in the finished product."

6. Can I or my business sell CBD oil products?

No. CBD oil, whether derived from hemp or marijuana, is listed in Schedule I of the state's list of controlled substances. There is no lawful possession of a substance listed in Schedule I, except for the marijuana products authorized in the state medical marijuana program.

7. What are the consequences for selling CBD oil?

Violations of the Louisiana Revised Statutes or Louisiana Administrative Code can subject a person to criminal and/or administrative action.

8. How does the Board of Pharmacy intend to enforce this guidance statement?

The Board's efforts at this time are educational. In the event licensees continue to sell CBD oil despite having accurate guidance information, the Board may reassess its compliance methodology.

9. How is a DEA licensee allowed to dispense Marinol and Epidiolex?

Marinol and Epidiolex have been approved by the federal Food & Drug Administration (FDA) as prescription drug products, and further, have been scheduled by the DEA in other controlled substance schedules used for prescription drug products [Schedule II for the Marinol product in aqueous formulation, Schedule III for the Marinol product in oil formulation, and Schedule V for the Epidiolex product].

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